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Title: Reported move to reduce the import duty of palm oil and pepper as part of Indo-Assam Free Trade Agreement to be signed in March, 2008.

SHRI K. FRANCIS GEORGE (IDUKKI): The other day our hon. Prime Minister was in Singapore to finalise discussions on the Indo-Asian Free Trade Agreement. It has been reported that India has offered to lower tariffs on highly sensitive items like pepper, palm oil, tea etc. When we began negotiations the tariffs on these items were 80 to 100 per cent. Now the demand from the ASEAN countries has been that we should reduce it to 30 per cent. It has been reported that we have agreed to reduce it to 45 per cent. Needless to say that this will push down the prices of these items. The prices of these items already are low in the country. This will result in financial losses and further misery to the small and medium farmers who grow these items in our country.

Just now a mention was made about the import of palm oil. It has been reported that the Government is planning to reduce the import duty of crude palm oil by 50 per cent and refined palm oil by 60 per cent. This will push down the prices of the coconut and it is going to adversely affect millions of coconut growers in the country. There is a ban on the import of palm oil through the Southern ports, especially through ports in Kerala. But in the guise of a stay by the High Court, large scale import of palm oil is taking place and consequently the price of coconut is getting drastically reduced. The income of the coconut growers is getting reduced pushing them into terrible misery. The Government should take stringent measures to ban this import of palm oil through the Southern ports. The Government should consult those States which would be affected by this Free Trade Agreement. The hon. Prime Minister has directed the Ministry of Commerce to scale down the negative list under the SAFTA. All these are going to create a surge of imports of cash crops and spices into our country. I would like to request the Government to consult the States, especially States like Kerala before entering into this Agreement so that the interest of our farmers are well protected and economy of the State also is well protected. [R82]